

**DEPARTMENT OF HEALTH SERVICES**

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April 6, 1999

The Honorable Wes Chesbro  
Member of the Senate  
State Capitol, Room 3070  
Sacramento, CA 95814

Dear Senator Chesbro:

**SUPPORT OF SENATE BILL (SB) 1105**

Thank you for carrying SB 1105 for the Department of Health Services (Department), which relates to the Rural Demonstration Project (RDP) program.

Under existing law, the Department has responsibility for administering a portion of the RDP related to rural infrastructure development projects, which is one component of the five projects authorized under the Healthy Families Program. The RDP pilot program offers funding opportunities for innovative health care projects to alleviate the unique problems of access to health care for uninsured children living in rural areas, including dependents of seasonal and migratory workers. The providers may use the funds to purchase equipment and make capital expenditures.

SB 1105 would clarify that the legal owners of the equipment and capital improvements (e.g., transportation vans, mobile clinics, equipment, and renovation of existing facilities) are the providers. The providers are responsible for developing and maintaining health services that will place them in a better position in the future to contract with Healthy Families health insurance plans. The project participants' approaches for improving access to health services for children in rural areas may lead to solving rural access problems for other age groups using the same strategies.

Please call me at (916) 657-2843 if you have questions regarding the Department's position on SB 1105.

Sincerely,

**ORIGINAL SIGNED BY**

Charleen M. Milburn  
Deputy Director  
Legislative and Governmental Affairs